



CITY OF MUNCIE REDEVELOPMENT COMMISSION

Regular Meeting Minutes

The City of Muncie Redevelopment Commission (MRC) met on Thursday, May 19, 2022 at 9:00AM in the City Hall Auditorium, First Floor, 300 N High St. Muncie, Indiana 47305.

Call to Order: President Jeff Howe called the meeting to order at 9:00AM.

- I. **Roll Call:** Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe were present. Commissioner Brandon Murphy and School Board Jim Lowe were absent.
- II. **Agenda Amended for Public Hearing for the Appropriation of the Bond:** President Jeff Howe opened a public hearing for comments on the appropriation of the bond. No public comments. President Jeff Howe closed the public hearing.
- III. **Approval of the Minutes:** President Howe presented the minutes from the April 21, 2022 meeting. President Howe entertained a motion to approve the minutes from last month's meeting. Commissioner Wagley made a motion to approve the minutes as presented. Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.
- IV. **Claims:** Craig Wright, City Controller, stated this month is a minimal list of claims. Claim from Bell Services for mowing. Craig Wright opened it up to questions. President Howe entertained a motion to approve. Lorraine Tomlin moved to approve the claims. Shareen Wagley provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.
- V. **City of Muncie Update – Mayor Dan Ridenour**
 - **Demolition RFP Update for Riverfront Project:** Mayor Dan Ridenour stated there was completion of the asbestos inspection and we are expecting the report back any day. Once the report comes back, the demolition will move forward, approximately 30 days after the report comes back. The developer of Phase 2 continues to refine their approach and does expect to have something finalized next week. They are hoping for a late fall early winter ground breaking. There is a new engineer at AEP so we had a meeting to bring them up to speed on the project. Looking into the rest of the other two block into underground utilities.
 - **Hotel Feasibility Study Update:** Mayor Dan Ridenour stated they are working on their numbers. They will be in town doing interviews the week of June 12, 2022. They will be interviewing Chamber Officials, Visitor Bureau Officials, AMA officials, Prairie Creek officials and other entertainment venues that might have a need for the hotel.
 - **Budget:** Mayor Dan Ridenour stated there is little change in the budget; we have not received any new tax draws. We know what the estimates are and the debts are in the budget. The bottom section is all-dependent on the Storer project. It is cash we do not have, but are anticipating through those sales. The lots will be available in the fall.

- **Developer Reach Out:** Mayor Dan Ridenour stated there was a developer that reached out for the area of Tillotson and Memorial near where the new park is going. They are putting together their plans for single-family subdivision. Ben Freeman stated would there be any negative impact on the fishpond. Mayor Ridenour stated the park is a great attraction to the developer.
- **225 S Madison:** Mayor Dan Ridenour stated we have an agreement to sell the property, 225 S Madison. Phase 1 and Phase 2 environmental reviews were submitted to the state; however, the state is running about four months behind. Which means Phase 1 will be expired in the anticipated time by the state. Mayor Ridenour would like an updated Phase 1 in order to qualify when the state looks at it. President Howe asked about the deal with the purchaser. Mayor Ridenour stated the buyer is still interested. Mayor Ridenour asked for the authorization of update Phase 1. Lorraine Tomlin made a motion to approve the update to Phase 1. Shareen Wagley provided second. Ben Freeman stated is this a Phase 2 or a comfort letter. Mayor Ridenour stated it is better for us that it would be a Phase 2. President Howe stated we have a motion and a second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.

Mayor Ridenour opened it up to questions from the Board. President Howe asked for a brief update on the Storer Project. Mayor Ridenour stated they were able to start May 1, 2022 and signed the contract. There was some equipment left by another company for storage. The equipment stored on the property has moved; the project should start soon. The project will start with earth moving and creating a retention pond, then the sewer pipes, and lastly the streets and sidewalks. President Howe stated we are timing the appraisals update around the completion of this. Mayor Ridenour agreed. Mayor Ridenour stated there are realtors, individuals and builders reaching out with interest. This area is not available at this time. President Howe stated we might think about options for the purchase of this ground. Ben Freeman stated he is not sure of what the statue states. Ben Freeman stated after the bid window closes the ability to market and sell the property becomes more flexible. President Howe stated this is something to think about in the next 30 to 60 days. Mayor Ridenour stated once the dirt starts turning on this area there will be significant interest.

- **Preservation and Community Enhancement Grant – Resolution:** Mayor Dan Ridenour stated this is a PACE grant. This is a Preservation and Community Enhancement grant to help people and companies with improvements of properties. From legal counsel this can only occur on commercial properties. Ben Freeman stated yes. The problem is that the MRC's purpose is to redevelop industrial or commercial property not typically residential. Mayor Ridenour stated there are other methods we could use to pursue. The PACE grant is on pause until we can figure out a solution. Mayor Ridenour stated this would be reimbursement. This might be setup with council or by this board as a separate residential community development. Mayor Ridenour stated we would like to create an Economic Development Corporation specifically for reimbursement of residential properties. Other cities offer reimbursement for residential property improvements. Mayor Ridenour stated we hope to find a way to make it available.

- **Appropriation Bond – Resolution:** President Howe stated there has been concern and question of the issuance of debt. President Howe would like to clarify the debt issuance request is that half a million-dollar match. Mayor Ridenour stated that on Thursday of last week the state gave permission to proceed. We would receive over \$2 million from the state to help with this project. President Jeff Howe stated there is money allocated for the Till Pond as a match as well. Mayor Dan Ridenour stated that is a DNR grant. President Jeff Howe this is more one to one match in funds. Mayor Dan Ridenour stated this is one to one but \$25,000 through EDIT funds to buy it. President Jeff Howe stated this is an \$800,000 investment to complete almost \$3 million of projects. President Jeff Howe stated there is a sunk cost in doing a bond issue, it makes sense to do projects you anticipate because there will be a cost for the bond no matter what. Mayor Ridenour stated we saved at least \$100,000 to \$150,000 by putting these all into one bond. Mayor Ridenour stated that is correct and there was notice that we had an extremely high chance in receiving the Ready grant. The City of Muncie was one of the premier projects; they have approved four or five last week. Paperwork is still in process for this; the money is not in our hands. Mayor Ridenour stated by borrowing the \$3 million actually gives us \$6 million, which makes the return more impressive. President Howe stated he thought the MRC Board would not approve the appropriation until after the City Council had voted favorably. Mayor Ridenour stated they introduced it with a non-vote, council needs for MRC Board to pass it before they can pass it in the June 6 meeting. All the resolution does is authorizes an appropriation of the proceeds of the bonds. Therefore, you can issue the bonds but you can't spend the proceeds until after the appropriation. President Howe entertained a motion to approve the bond resolution. Lorraine Tomlin made motion to approve. Isaac Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.
- **Bond Refunding – Resolution:** Mayor Dan Ridenour stated we currently have a bond that we are making payments on, with interest rates where they are; today we have an opportunity to save the City and MRC something north of \$100,000 and have the same expiration date. Mayor Ridenour stated he had a discussion with the City Controller, Craig Wright, that if we did not take this opportunity there might be a break even or a loss later in the summer. This is an existing debt that we are improving the interest rate and will save the City of Muncie six figures over time. Mayor Ridenour stated the expiration of the bond is 2037. President Howe stated there is no pre-payment. Dennis stated these are pre-payable with no premium January 1 of this year. This is the 2016 KPEP Project bonds. By doing, this transaction there is not a trustee fee each year. President Howe asked why we would not have an annual trustee fee. Dennis stated that the structure of this debt is a pure redevelopment district bond and we are anticipating there will be one purchaser of the bond. Most likely, you will just receive an invoice from the bank. President Howe asked the issue date of the bond. Dennis stated in December of 2016. Dennis stated similar to the project bond issue we have a bond resolution and an appropriation hearing for the board to approve. President Howe entertained motion to pass resolution for the bond refunding of the 2016 bond issue. Shareen Wagley moved to approve. Isaac Miller provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed. Ben Freeman

stated the first resolution the appropriation resolution was 2022-02 and the most recent one is 2022-03. The gross savings in \$136,256 when that is brought in to today's value it is \$103,051 and net present value savings of 3.146%. Generally, for refunding like this for economic sense it is common practice to do it above 3%.

- **Delaware Advancement Corporation – DAC:** Mayor Dan Ridenour stated the Delaware Advancement Corporation (DAC) holds properties for development. There is debt held by DAC to buy the properties in the Canal District. As we continue to move, forward with the Phase we will pay off the debt. The developer will pay for the site and that will pay off the debt. DAC had agreements with MRC before those have expired. DAC is not in the business of buying and selling properties. DAC is requesting an updated agreement. President Howe asked if we would be incurring any debt. Mayor Ridenour stated no. President Howe entertained a motion to renew the agreement with DAC. Isaac Miller moved to approve. Lorraine Tomlin provided second. Commissioners Isaac Miller, Lorraine Tomlin, Shareen Wagley, and Jeff Howe voted aye. Motion passed.

VI. Community Development: Nate Howard, Muncie Land Bank, stated there are two bids, one from Brandon Weaver connected with Hunter Property Investments for 703 W Adams. The recommendation was that we wanted to see the liquidity from their financial forms. Nate wanted to clarify on who follows up on those things. President Howe stated Nate would follow up on those. Second bid is from Emma Combs for 1511 E Streeter, we approved that and will prepare documents for the next meeting.

VII. Public Comments: No public comments.

VIII. Adjournment: President Howe motioned to adjourn, at 9:45AM.

Muncie Redevelopment Commission will meet again on June 16, 2022 at 9:00AM.